

22 April 1954

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MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Review of NIE-84: "Probable Developments in Guatemala"

The Board of National Estimates has reviewed the conclusions of NIE-84, "Probable Developments in Guatemala", which was adopted by the IAC on 12 May 1953.

the Board consulted with

Discussion of critical

aspects of the problem is contained in the Enclosure.

CONCLUSIONS

1. We consider that the conclusions of NIE-84 remain essentially valid. In particular, we reaffirm the first conclusion, as follows:

The current political situation in Guatemala is adverse to US interests. The Guatemalan Communists exercise a political influence far out of proportion to their small numerical strength. Their influence will probably continue to grow as long as President Arbenz remains in power.

2. The Communists now effectively control the political life of Guatemala. Arbenz' decisions on domestic and foreign policy are reached, not in the official cabinet, but in a kitchen cabinet composed of Communists and pro-Communists. There is no prospect of a break between Arbenz and the Communists.

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3. There has probably been an increase in popular disillusionment with the Arbenz regime. There is certainly increased desperation among opposition elements. In present circumstances, however, the possibility of effective internal political action to alter the situation does not exist. We believe that effective revolutionary action would require the active support of a major portion of the Army.

4. The disposition of the Army toward the regime is therefore crucial. We note indications of unrest, even of disaffection, within the Army and consider that a revolutionary potential now exists there. We do not believe, however, that the Guatemalan Army is likely to take spontaneous action against the Arbenz regime.

5. The Communists will be concerned to neutralize the revolutionary potential in the Army, and, with the passage of time, may succeed in doing so.

6. The solidarity of the other Central American states in opposition to Guatemala has weakened during the past year and may further decrease.

7. In view of the foregoing considerations, we believe that time is on the side of the Communists in Guatemala.

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